Treaty symbolises the unique relations between India and Nepal and reflects the historical, geographical, cultural and linguistic links between the two nations. The 1950 Treaty is a balanced document and has served both sides well for five decades.

His Majesty's Government of Nepal has put forth a proposal to discuss and review the 1950 Treaty. It has been agreed that the Foreign Secretaries of the two countries would undertake a review of all issues pertaining to the 1950 Treaty, as part of their regular bilateral consultations.

Indo-Nepal relationship

3339. SHRI KARNENDU BHATTACHARJEE: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether the Prime Minister of Nepal had visited India early this month;

(b) if so, the avowed purpose of his visit;

(c) the main problems affecting Indo-Nepalese relationship raised by him; and

(d) whether India's security concerns in the context of last year plane hijack and the growing anti- Indian activities by the Pakistan's ISI were conveyed to him and if so, with what results?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI AJIT KUMAR PANJA): (a) to (c) The Prime Minister of Nepal, Mr. G.P. Koirala, paid an official goodwill visit to India from July 31 to August 6, 2000 at the invitation of the Prime Minister of India. He was accompanied by the Foreign Minister of Nepal, Mr. Chakra Prasad Bastola and senior officials of His Majesty's Government of Nepal.

A Joint Press Statement issued on August 3,2000 at the conclusion of his official engagements in New Delhi highlighted the wide-ranging discussion on bilateral issues of mutual concern and the decisions taken to further strengthen the close and friendly relations between the two countries. A copy of the Joint Press Statement is given in the Table *(see* below).

(d) Our security concerns about the increasing evidence of ISI misusing Nepalese territory for anti- India activities were discussed with the Prime Minister of Nepal. The two Governments agreed to devise effective modalities and measures to strengthen their existing cooperation with regard to the management

of the open India-Nepal border with the objective of combating terrorism and cross- border crimes. They reiterated their commitment not to allow their respective territories to be used for activities directed against or prejudicial to the security of the other.

Joint Press Statement

1. His Excellency Mr. Girija Prasad Koirala, Prime Minister of Nepal, is paying an official goodwill visit to India from 31 July to 6 August, 2000 at the invitation of His Excellency Shri Atal Behari Vajpayee, Prime Minister of India. The Prime Minister of Nepal is accompanied by His Excellency Mr. Chakra Prasad Bastola, Minister of Foreign Affairs and senior officials of His Majesty's Government of Nepal. He is also accompanied by his daughter, Ms. Sujata Koirala.

2. During his visit, the Prime Minister of Nepal visited Rajghat and paid homage to the memory of Mahatma Gandhi. The Prime Minister of Nepal called on the President and the Vice President of India. He had a meeting with the Prime Minister of India, which was followed by delegation-level talks, led by the two Prime Ministers, on bilaterial and other issues of mutual interest. Ministers of Home Affairs, External Affairs, Defence, Finance, Human Resource Development and Water Resources of the Government of India called on the Prime Minister of Nepal. The Prime Minister of Nepal also received the Deputy Chairman of the Planning Commission and the Leader of the Opposition, Lok Sabha. He also attended a business meeting organised by the Confederation of Indian Industry. He will visit Hyderabad where he will attend, a dinner hosted by the Governor of Andhra Pradesh visit the Hi-tech City, interact with leaders of business and industry and attend a luncheon meeting hosted in his honour by the Federation of the Indian Chambers of Commerce and Industries.

3. The wide-ranging discussions during the visit were held in an atmosphere of warmth and cordiality. During these discussions, the Prime Ministers of India and Nepal noted that the age-old and traditional friendship between the peoples of the two countries, based on the enduring bonds of history, geography and shared social and cultural values, had been reinforced in recent times and bilateral cooperation expanded to embrace new areas of economic and developmental activities. The Prime Ministers reiterated the commitment of their Governments to further strengthen the close and friendly relations between the two countries, in a spirit of equality, mutual respect and

partnership and on the basis of an enhanced level of trust and understanding, keeping the long-term perspective in mind. The two Prime Ministers were convinced that a regular dialogue at various levels was required to continuously explore new avenues of cooperation, implement understandings reached in the past and avoid complacency. In the new millennium, the two countries must constantly nurture and upgrade their partnership, which derived sustenance from traditional links and shared values.

4. In the present context of increasing globalisation and the communication revolution and the fast- changes that have taken place at the national, regional and globe levels, the two Prime Ministers were convinced that the agenda of partnership in the 21 st century must focus on expanding mutually beneficial and future-oriented cooperation. The two Prime Ministers agreed that the institutional mechanisms for dialogue and interaction in existence over the past 50 years be reviewed and rationalised in the context of the new millenium to set the tone for mature relations and cooperation in the decades ahead.

5. In pursuing cooperative relations in this new framework, the two Prime Ministers agreed to respect each other's sensitivities and concerns and to address such issues that might arise from time to time in a constructive manner.

6. The two Prime Ministers noted that in recent years, the ties between India and Nepal had been reinforced by their shared commitment to multi-party democracy. They noted that their commitment to the consolidation and institutionalisation of democratic values and principles had given the bilateral relations a new dynamism.

Joint Commission:

7. **It** was agreed that the first meeting of the revived India-Nepal Joint Commission would be convened during the forthcoming visit of the External Affairs Minister of India to Nepal. The Joint Commission would act as an umbrella body at the level of Foreign Ministers to oversee the entire gamut of bilateral relations and to provide directives on measures to further strengthen them. It would also review and rationalise the existing inter-Governmental mechanisms.

Economic Cooperation:

8. The two Prime Ministers noted with satisfaction that the work on the B.P. Koirala Institute of Health Sciences at Dharan, the 22 Bridges Project on the

East-West Highway and the Maternal and Neo- Natal Instensive Care Units at Paropakar Indra Rajyalaxmi Maternity Hospital, Kathmandu, had been successfully completed. They directed that the work on the India-Nepal cooperation projects under implementation, including finalisation of the framework for continued cooperation on the B.P. Koirala Institute of Health Sciences at Dharan with the strengthening and extension of Indian faculty support to the Institute till October 2009, the 200-bed Emergency and Trauma Centre at Bir Hospital, Kathmandu, Raxaul-Sirsiya Rail Link Project and the Mahendranagar-Tanakpur Link Road Project, be expedited.

9. The Prime Ministers were apprised of the outcome of the Fifth Meeting of the India-Nepal High Level Task Force, held in Kathmandu on 6-7 June, 2000. They endorshed the recommendations made by the High Level Task Force and directed that the following new projects be implemented expeditiously:

(i) Cooperation between the two Governments in improving physical facilities and infrastructure at important border customs stations and check-posts, beginning with three major border crossings at Raxaul-Birgunj, Sunauli-Bhairahawa and Jogbani-Biratnagar.

(ii) Cooperation in development of infrastructure, including transportation and communication links, in the adjoining districts of Nepal and India;

(iii) Launching of jointly-developed pilot project in Nepal in the field of rural and community development.

(iv) Cooperation between the two Governments in jointly setting up a small or medium sized hydropower project in Nepal;

(v) Cooperation in setting up an Export Processing Zone or Free Trade Zone close to the Inland Container Depot being developed at Birgunj;

(vi) Cooperation in developing the dairy industry in Nepal, with the involvement of the National Dairy Development Boards of India and Nepal; and

(vii) Cooperation in the establishement of a Technology Institute in Nepal as a partnership project, with information technology being one of its key components.

Trade, Transit and Investment Links:

10. The two Prime Ministers noted with satisfaction that the India-Nepal Trade Treaty of Decemebr 1996 and the Transit Treaty of January 1999 had contributed to the expansion of trade and economic cooperation between the two countries and in facilitating Nepal's transit through India. During the delegation-level talks, views were exchanged on some practical problems which had emerged during the implementation of these Treaties; particularly on the Special Additional Duty; deflinition of "manufacturing" issues of misdeclaration, facilitating access of Nepalese food products into the Indian market and certification procedures for import of Indian vehicles under Nepal's new emission norms.

11. It was agreed that export from Nepal to India would be exempted from the levy of Special Additional duty on Customs. It was also agreed that imports of Indian vehicles into Nepal under Napal's new emission norms would be permitted on the basis of self-certification by Indian vehicle manufacturers based on type approvals.

12. The Indian side conveyed that testing facilities were being set up at Gorakhpur and Raxaul, which would help to streamline procedures for Nepalese food exports to India. The Indian side also agreed to assist in upgrading the testing facilities in Nepal.

13. Both the Prime Ministers directed that the Inter-Governmental Committee on Trade, Transit and Unauthorised Trade, headed by the Commerce secretaries of the two Governments, be convened soon to effectively address the remaining issues in a constructive manner and to take steps to promote trade and economic links between Nepal and India.

14. The Prime Ministers noted with satisfaction that initiatives taken in recent years, including the conclusion of the trade treaty with its provision for preferential entry of Nepalese manufactures into the Indian market and liberalisation of procedures for Indian rupee investments in Nepal, had led to increased investment by Indian companies in Nepal. The two sides agreed to facilitate expansion of the industrial production base in Nepal, including through enhanced participation of the private sector. With this objective it was agreed to conclude a Bilateral Investment Protection and Promotion Agreement (BIPA) at the earliest.

15. The two Prime Ministers also directed that the conclusion of a bilateral Agreement on Trans-Border Movement of Motor Vehicles be expedited.

16. Noting that the Bureau of Indian Standards (BIS) and the Nepal Bureau of Standards and Metrology (NBSM) have had preliminary exchanges on cooperation in the field of standards, the two Prime Ministers observed that this would be desirable for further promoting bilateral trade and investment.

Water Resources

17. The two Prime Ministers noted that the huge potential for development of hydropower resources in Nepal and the projected demand for power in Indian in the coming decades offered rich opportunities for cooperation to bring about rapid, environmentally sustainable economic growth on both sides of the border. However, the process of achieving concrete results had been relatively slow and needed to be accelerated. The Prime Ministers directed that a Joint Committee on Water Resources, headed by the Water Resources Secretaries of the two Governments, be set up to discuss all important issues pertaining to cooperation in the water resources sector including implementation of existing agreements and understandings. The Joint Committee, which would meet at least once in every six months would also oversee the work of all technical and expert level committees and groups in this field.

18. The Prime Ministers reiterated that the implementation of the Mahakali Treaty would be given high priority. They directed that the remaining investigations and studies be completed as per the schedule agreed upon by the Joint Group of Experts on Pancheshwar and that the work on the preparation of the DPR be completed latest by the end of 2001. Unresolved issues pertaining to the DPR would be addressed by the Joint Committee on Water Resources.

19. On the Sapta Kosi High Dam and Sun Kosi-Kamla Diversion Projects, the two Prime Ministers agreed that the ongoing process be expedited.

20. The two Prime Ministers directed that the Joint Task Force on Flood Control and Forecasting be set up immediately to review cooperation in a comprehensive manner and give its recommendations to the two Governments it was also agreed that there would be close consultations between the concerned authorities of the two Governments regarding flood control structures, which may cause damage to life and property in the adjoining border districts of India and Nepal. Responding to the Nepalese concern of inundation in the Banke District of Nepal, the Indian side assured that measures were being taken to ensure that the flood control embankment constructed in the Indian side would not cause inundation in the adjoining regions of Nepal and that the situation in this regard would be monitored jointly and necessary action taken.

Cooperation in Science and Technology:

21. The two Prime Ministers noted that an Agreement of Cooperation in Science and Technology would be concluded shortly.

Cooperation in Information Technology:

22. In response to a request received from the Nepalese side, the Indian side agreed to extend their cooperation in the development of information technology in Nepal. It was agreed that a Technology Institute would be established in Nepal as an India-Nepal partnership project, with information technology as the key thrust area. Other avenues of cooperation in this vital sector would be identified through mutual consultations.

Cooperation in Human Resource Development

23. Taking note traditional links india and Nepal in the field of human resource development the two Prime Ministers agreed that the cooperation in this key sector must be reinforced. This would include, *inter alia,* the continuing involvement of India, both at the Governmental level as well as through the private sector, in development of institutions of higher learning and technical studies in Nepal. The Indian side noted the concern expressed by the Nepalese side regarding the high fee structure for the Nepalese students for pursuing higher education in India and assured that necessary measures would be taken to address the problem.

Cooperation in Conservation of Cultural Heritage:

24. Noting that India and Nepal shared a rich cultural heritage and there were a large number of cultural sites which were of importance to the peoples of the two countries, the two Prime Ministers agreed that joint efforts, both at Governmental and non-Governmental levels, to conserve such cultural heritage sites would be mutually beneficial and that the possibility of setting up a Cultural Foundation would be explored.

Boundary Demarcation:

25. The two Prime Ministers reviewed the progress in the work of the Joint Technical Level Boundary Committee and directed the Committee to complete its field work by 2001-2002 and final preparation of strip maps by 2003. The committee was also directed that in case it was unable to reach mutually acceptable agreement on certain specific segments of the boundary despite its best efforts, detailed reports on those peckets, including a compilation of the available evidence, would be submitted to the two Governments for their

consideration. The Prime Ministers also directed the Joint Working Group of the Joint Technical-Level Boundary Committee to expeditiously complete its examination of the facts relating to the alignment of the boundary in'the western sector, including the Kalapani area, and in other pockets, where there were differences in perceptions of the two sides.

1950 Treaty:

26. The Prime Ministers directed the Foreign Secretaries to undertake a review of the all-issues pertaining to the 1950 Treaty. The Foreign Secretaries would meet within six months.

Terrorism/Management of Border:

27. The Prime Ministers reiterated the determination of the two countries to work closely and fight the scourge of terrorism. They renewed the commitment of the two countries not to allow their respective territories to be used for activities directed against or prejudicial to the security of the other. In pursuance of the their shared objective of combating terrorism and cross-border crimes, the two Governments agreed to devise effective modalities and measures to strengthen their existing cooperation in this regard.

28. The two Prime Ministers were apprised of the outcome of the discussions held by the Home Secretaries of the two Governments in Kathrnandu fronro—7 July, 2000. Expressing their satisfaction at the progress made in those discussion, they directed the Home Secretaries to meet regularly to review and expand the cooperation between the concerned law enforcement and security agencies of India and Nepal.

29. While expressing the determination of the two Governments to preserve the mutually beneficial open interaction between the nationals of the two countries across the border, the Prime Ministers agreed on the need to prevent the misuse of the open border by terrorists, criminals and other undesirable elements. They directed that cooperation in this regard be stepped up. Discussions on the management of the border would continue in the Joint Working Groups on Border Management as well as in talks between the two Home Secretaries.

Indian Teachers in Nepal

30. In response to the request made by the indian side for the regularisation of the services of Indian school and college teachers employed in Nepal, the Nepalese side assured that the decision taken by His Majesty's Government in 1998 in this regard would be implemented.

Consulate General of India at Birgunj:

31. Responding to the long-standing indian request for the setting up of the Consulate General of India at Birgunj, the Nepalese side informed that the request was under consideration of His Majesty's Government.

Invitation:

32. The Prime Minister of Nepal invited the Prime Ministers of India to pay an official visit to Nepal an early date. The invitation was accepted with pleasure. The dates of the visit would be decided through diplomatic channels.

Transfer of Chinese Missile Technology to Pakistan

3340. SHRI K. C. KONDAIAH: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether during the visit of Chinese Foreign Minister, Government took up the matter with regard to transfer of Chinese Missile Technology to Pakistan;

(b) if so, details of discussion therefor; and

(c) the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI AJIT KUMAR PANJA): (a) to (c) Yes, Sir. Our concerns on Sino-Pakistan military cooperation, which includes cooperation in the field of missiles, were reiterated. China maintains that it has normal state-to-state relations with Pakistan including normal military co-operation and that Sino-Pakistan cooperation was not target against any third country.

Export of IT Professionals

†3341. SHRI P. K. MAHESHWAR1: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) the names of the countries from which proposals for export of information technology professionals have been received by Government togetherwith the country-wise details thereof;

(b) whether Government have given consideration to the proposals of these countries;

† Original notice of the question was received in Hindi.